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DEPARTMENT FOR EUR/PPD, EUR/CARC, EUR/ACE

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SUBJECT: ARMENIA TV ARGUES ITS CASE

Ref: Yerevan 1075

YEREVAN 00001700 001.2 OF 002

SUMMARY

(U) Sensitive But Unclassified. Please protect accordingly.

¶1. (SBU) MCC Country Director and PAO met with Armenia TV President Bagrat Sargsian and toured the company's facilities. Sargsian affirmed his belief in the TV channel's independence and promised to provide opposition candidates a platform to air their views in the lead-up to the May parliamentary elections. He also offered to give extensive coverage to MCA Armenia's projects. End Summary.

FREE TO BROADCAST WHAT THEY "CHOOSE"

¶2. (SBU) According to Sargsian, Armenia TV is a 50/50 joint venture between the Cafesjian family in the U.S. and the Sargsian family in Armenia. The station was founded shortly after Armenia's independence by Sargsian's father, a prominent television personality in Armenia during the Soviet Union. Since 2001, when the Cafesjian family invested in the company, and it became CS Media, the operation has grown to include other television and radio stations. CS Media also broadcasts CNN International in Armenia. It has its own satellite distribution capability so programming can reach the Armenian diaspora in the U.S. and elsewhere. Armenia TV also broadcasts Voice of America news. Sargsian said that annual gross revenue for the group was running \$7 million a month, of which \$4.5 million came from Armenia TV which he estimated to account for about half the advertising market. Sargsian expects the revenues to grow by as much as 50% annually. (Note: Although the revenues are not too far off from other estimates we have seen, they would put Armenia TV at less than 15% of the market, behind Shant TV and H1-Public TV.)

¶3. (SBU) Sargsian insisted that Armenia TV was fully independent and complained that reports on the media situation in Armenia consistently fail to acknowledge that. He said the station strives to introduce Western standards of journalism and that reporters are never told how to report the news. Sargsian maintained that the Armenian government has no influence on the TV's programming or on the news they choose to report. He noted, however, that Armenia TV does not "choose" to criticize government figures and risk losing its broadcast frequency like A1+ TV did in 2002. (See reftel for more information on self-censorship). He recounted how the station had had problems once when an (unnamed) minister took offense over a critical report and had their signal blocked for a few days until they were able to smooth things over. He noted that CS Media has since taken the step of installing its own broadcasting network to

make it harder for them to be shut down on somebody's whim.

EN GARDE

14. (SBU) Armenia TV is already preparing for the parliamentary elections scheduled for next May. Key to their programming, according to Sargsian, would be a debate show entitled "Duel" featuring candidates from various parties in a one-on-one format. A new studio is being built to seat up to 300 people for the show and Sargsian indicated that candidates who refused to appear would be named (and shamed) on the air. In addition to "Duel," the station would have an elections-centered talk show and offer a wide array of politicians and parties a platform to air their positions on the issues.

TELLING THE MCA STORY

15. (SBU) Sargsian expressed his eagerness to give extensive coverage to the activities of MCA Armenia. He suggested filming a number of segments to show the Armenian public the specific benefits that would accrue to the average person from completion of the program. He hoped that by doing so, the GOAM would feel pressured to strive harder to meet the MCA criteria and not risk having the program cancelled. Sargsian even offered to do a weekly "MCA Update" on the news that would highlight progress (and setbacks) in the program. (NOTE: The Cafesjian family has an ownership interest in the Armenian bank selected by MCC to handle MCA financial transactions here, so there is an understandable business angle to Armenia TV's enthusiasm. END NOTE)

COMMENT

YEREVAN 00001700 002.2 OF 002

16. (SBU) Armenia TV is the private station with the best geographic coverage in the country and, with its satellite capability, is even able to reach Armenians working abroad in Russia and the U.S. who are eligible to vote in the elections. The station is profitable and its owners have deep pockets. Its facilities are first class. The station has the potential to give a big boost to the ability of all candidates to get their message across to the Armenian electorate. Recent actions against independent networks in neighboring Azerbaijan may serve as a cautionary tale as well, however, actions speak louder than words, and we will be watching closely the kind of coverage that Armenia TV provides in the run up to the May elections.
Godfrey